

Message Text

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SUBJ: SHANGHAI JOURNAL CRITICIZES MACHINERY AND TECHNOLOGY IMPORTS

SHANGHAI JOURNAL, STUDY AND CRITICISM, IN ITS JANUARY ISSUE CARRIED COMMENTARIES ON TWO STAGE PLAYS WHICH DEPICT STRUGGLE BETWEEN WORKERS WHO ADVOCATE SELF RELIANCE AND CADRE WHO WANT TO IMPORT FOREIGN EQUIPMENT. THE ARTICLES ARE FURTHER INDICATION THAT PRESENT IDEOLOGICAL CONFLICTS NOW EXTEND TO FOREIGN ECONOMIC POLICY. IT IS DIFFICULT TO JUDGE THE EFFECTS OF THIS CONFLICT ON ACTUAL TRADE PRACTICE SINCE CHINA HAS ALREADY SIGNED CONTRACTS FOR \$221 MILLION IN COMPLETE PLANTS THIS YEAR, WHICH ON AN ANNUAL BASIS WOULD MEAN A TOTAL ON THE ORDER OF LAST YEAR'S \$1.2 BILLION. END SUMMARY.

1. SHANGHAI JOURNAL, STUDY AND CRITICISM, IN ITS JANUARY ISSUE (NO. 1) CARRIED COMMENTARIES ON TWO STAGE PLAYS WHICH DEPICT STRUGGLE BETWEEN WORKERS WHO ADVOCATE SELF RELIANCE AND LEADING CADRE (FACTORY MANAGERS) WHO WANT TO

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IMPORT FOREIGN EQUIPMENT. THESE ARTICLES ARE SIMILAR TO

ONE IN JANUARY'S RED FLAG WHICH ATTACKED THOSE WHO "BLINDLY WORSHIP" FOREIGN MACHINERY AND TECHNOLOGY. (HK 855)

2. THE FIRST ARTICLE COMMENTS ON A NOVEMBER 1973 PLAY, "BIG CURRENT OF STEEL AND IRON", WHICH IT SAYS MARKED A NEW ADVANCE IN REVOLUTIONARY THEATRE. SET IN A PRC DEFENSE PLANT IN 1962, THE PLAY BEGINS FOLLOWING THE SUDDEN WITHDRAWAL OF SOVIET TECHNICIANS AND THE IMPOSITION OF A SOVIET BLOCKADE OF SHIPMENTS OF A METAL ALLOW VITAL TO CHINESE WARSHIPS. THE FACTORY IS THEN GIVEN THE TASK OF PRODUCING THE ALLOY ITSELF. HAVING "BLIND FAITH IN FOREIGN COUNTRIES," THE FACTORY MANAGER WANTS TO IMPORT THE METAL "RELYING ON BOURGEOIS EXPERTS AND THEIR FOREIGN EQUIPMENT." THE WORKERS DISAGREE AND SET TO OUT TO PRODUCE THE METAL THEMSELVES.

3. IN THE ENSUING STRUGGLE, "CLASS ENEMIES" EXPLOIT THE MANAGER'S ERRONEOUS LINE, CAUSE TROUBLE, AND, AT ONE POINT, SABOTAGE THE WORKERS' EFFORTS BY CAUSING THE PLANT'S FURNACE TO EXPLODE. A "COMRADE IN ARMS" OF THE LEADING WORKER BECOMES CONFUSED AND BEGINS TO WAVER. IN THE END, HOWEVER, THE WORKERS DO SUCCEED AND PROVE THE FACTORY MANAGER WRONG.

4. IN THE SECOND ARTICLE WHICH COMMENTS ON "STEEL" AND ANOTHER PLAY, "THE SECOND SPRING," THE JOURNAL STATES THAT FACTORY MANAGERS IN BOTH PLAYS BECAME AFRAID WHEN FACED WITH "INCIDENTS." THIS IT DESCRIBES AS A "USUAL MANIFESTATION OF RIGHTIST OPPORTUNISM." "WHAT IS MOST SERIOUS," THE AUTHOR SAYS, IS THAT THE "INCIDENTS" WERE USED AS AN "EXCUSE TO DRAG THE FEET OF REVOLUTION" AND AS A "WEAPON TO SUPPRESS THE SOCIALIST INITIATIVE OF THE MASSES." IN BOTH CASES THE MANAGERS LOST FAITH IN "NEWBORN THINGS" AND INSTEAD PLACED THEIR HOPES ON FOREIGN TECHNOLOGY. THEY FORGOT, THE ARTICLE CONCLUDES, THAT WHILE "NECESSARY," FOREIGN TECHNOLOGY MUST BE INTRODUCED IN ACCORDANCE WITH THE PRINCIPLE OF MAKING FOREIGN THINGS SERVE CHINA.

5. COMMENT: THESE ARTICLES ARE A FURTHER INDICATION THAT PRESENT IDEOLOGICAL CONFLICTS NOW EXTEND TO FOREIGN ECONOMIC POLICY. IN PARTICULAR, CHINA'S 1973 PURCHASES OF AN UNPRECEDENTED \$2 BILLION IN COMPLETE INDUSTRIAL PLANTS, LIMITED OFFICIAL USE

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TECHNOLOGY AND MACHINERY SEEM TO HAVE BECOME THE TARGET OF LEFTIST ATTACKS. IF SUCH CRITICISM CONTINUES, IT MAY, AT LEAST, MAKE TRADE OFFICIALS HESITANT TO SIGN CONTRACTS WITHOUT CLEARING WITH THE HIGHEST AUTHORITY. AT WORST, IT COULD REDUCE FUTURE PRC PURCHASES.

6. AT PRESENT IT IS DIFFICULT TO JUDGE WHAT IMPACT, IF ANY, SUCH CRITICISM HAS HAD ON PRC TRADE PRACTICES, ES-

PECIALLY SINCE SOME PLANT NEGOTIATIONS MAY ALSO HAVE BEEN
AFFECTED BY PRICE INCREASES DUE TO WORLD INFLATION (SEE
HK 1109). ALREADY THIS YEAR, CHINA HAS REPORTEDLY SIGNED
CONTRACTS WITH JAPANESE AND FRENCH FIRMS FOR COMPLETE
PLANTS WITH A TOTAL VALUE OF \$221 MILLION. TWO OTHER JAPANESE
FIRMS, NIPPON STEEL, AND NIPPON SEIKO, HAVE ANNOUNCED
THEY ALSO EXPECT TO SIGN CONTRACTS FOR A STEEL MILL
(\$200 MILLION) AND A BALL BEARING PLANT (\$100 MILLION) IN
THE NEAR FUTURE. ON AN ANNUAL BASIS, THIS MEANS THAT
PURCHASES FOR 1974 WOULD AGAIN BE ON THE ORDER OF LAST
YEAR'S \$1.2 BILLION. FURTHERMORE, AS EVIDENCED BY
USLO'S RECENT REPORTING, A NUMBER OF US BUSINESSMEN HAVE
BEEN INVITED TO VISIT PEKING SINCE THE BEGINNING OF THE
YEAR. THUS, IT APPEARS THAT PEKING'S FAVORABLE ATTITUDE
TOWARD SINO-US TRADE HAS NOT BEEN AFFECTED.
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